

# SALONS FACING WINTER FUEL BILLS SHOCK

by **Andrew Don**

Salons could be in for a nasty shock this winter, with some seeing their energy bills rocketing by up to 19 per cent.

All the "big six" UK suppliers – **British Gas, EDF Energy, E.ON, npower, Scottish & Southern Energy** and **ScottishPower** – had raised their prices by the time *SalonFocus* went to press.

The move came against a backdrop of increasing public anger over soaring energy prices, and fuel bills becoming a growing political issue.

Energy secretary **Chris Huhne** in September pledged at the **Liberal Democrat** party conference that he would "get tough" with energy companies and make it easier for firms and individuals to get a better deal.

And **Labour** leader **Ed Miliband** at his party's conference said a future Labour government would break up the dominance of the big six suppliers, creating a central energy "pool" that people could buy from and simplifying how bills were calculated.

**Carl Mitchell**, director of **Bonce**, which has two salons, in Walsall and Wednesbury in the West Midlands, feared this winter would be "really tough" for salons.

"I really agree with Ed Miliband's idea of breaking up the big six because they are not competitive. The only deals I think salons should be going for are fixed long-term contracts," he said.

NHF president **Mark Coray** welcomed the political intervention, arguing that many salons felt helpless, angry and frustrated about constantly rising energy bills.

"Most salons try to be as energy efficient as they can be, but there is no getting around the fact that our business uses a lot of heat, lighting and water," he said.

"Switching supplier can sometimes help but when you're running a busy salon in a difficult economic environment the last thing you want is to be adding to your paperwork or risking the continuity of your energy supply for what may just be a temporary saving.

"Anything that caps prices or makes it easier for salon owners to shop around is going to be warmly welcomed," he added.

The latest **Business Energy Index** carried out by npower has suggested many small businesses are compounding the problem by failing to be proactive about energy consumption.

It calculated that 4.8 million small and medium-sized UK firms had nothing in place to manage energy efficiency and nearly 18 per cent did not know if they had reduced their energy consumption in the past year.

**Jonathan Elliott**, managing director of switching service **Make It Cheaper** said most salon owners – like much of the general population – did not know what represented a good or bad price so they found it hard to tell if they should be doing something about it.

A good rule of thumb was that any salon paying more than 10p a unit for electricity or more than 40p a unit for gas should shop around.

"The price range for business energy is incredibly wide, with factors such as postcode, company credit score, energy consumption, length of contract and when you last switched coming into the equation," he told *SalonFocus*.

Jonathan said it was not unknown for one business to be paying two or three times as much as the building next door for exactly the same amount of energy – and, often, the power was supplied by the same company.

He gave the example of **Felix Campfield-Walker**, owner of **Farley's** salon in Hitchin, Hertfordshire, for whom electricity is his biggest fixed cost.

Felix used **Make It Cheaper** to help calculate he could save £714 a year by switching from the 15.7p a unit he currently paid, through npower, to 9.12p a unit with **ScottishPower** when his contract ends later this month.

**British Gas Business** director of small enterprises and operations **Marc England** urged salons to ask to be put on their "smart meters" which would mean they no longer had to rely on estimated bills and could cut the amount of time spent on administration.

He also advised installing more energy-efficient fluorescent light-fittings with controls such as sensors and daylight detectors to ensure lights were only on when needed and to invest in timer switches to turn off heating and machines at the end of the day.

Other tips included using time clocks to shut down heating overnight if the hot water was provided by "under sink" storage units. Investing in more energy-efficient electrical appliances could also be value for money, as older hairdryers and tongs tended to waste far more energy.



ED MILIBAND: SIMPLER BILLS



CHRIS HUHNE: TOUGHER ON UTILITIES



JONATHAN ELLIOTT: SWITCH TO SAVE



CARL MITCHELL: FEARS